

Exhibit 2

Settlement Term Sheet

Settlement Term Sheet

This term sheet (this “**Term Sheet**”) sets forth the principal terms of a settlement (the “**Settlement**”) for any dispute relating to amounts owed to Priority Power Management, LLC (“**PPM**”), including in the chapter 11 cases pending in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”) and styled *In re Core Scientific, Inc. et al.*, Ch. 11 Case No. 22-90341 *et seq.* (Bankr. S.D. Tex. 2022) (DRJ) (the “**Chapter 11 Cases**”) and is subject to Federal Rule of Evidence 408 and all analogous state-law rules. The “**Parties**” referenced herein are Core Scientific, Inc. and its debtor affiliates (collectively, “**Core**” or the “**Debtors**”) and PPM. Each of Core and PPM is referred to herein as a “**Party**.”

The terms set forth herein are subject in all respect to definitive documentation and approval of the Bankruptcy Court and are not binding on the Parties absent such documentation and approval. This Term Sheet does not purport to set forth every term of the Settlement Motion (as defined below) or the 9019 Order (as defined below).

| Term | Description |
|------------------------------------|--|
| Approval of the Settlement | <p>Debtors to file a motion to approve the Settlement and to assume that certain Energy Management and Consulting Services Agreement (as amended and restated in the form attached as Exhibit A hereto, the “EMCSA”) (the “Settlement Motion”).</p> <p>On or before March 21, 2023, Debtors to have obtained entry of an order of the Bankruptcy Court under sections 363(b), 365(a), and 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019 approving the Settlement and assuming the EMCSA (as amended and restated in the form attached as Exhibit A hereto) which order shall be effective immediately upon its entry (such order, the “9019 Order”).</p> |
| Site Sale Support | PPM to provide information to the Debtors during the pendency of the Chapter 11 Cases to assist with the marketing and/or sale of the Debtors’ Cedarvale site and the Debtors’ Cottonwood site. |
| PPM Claims, PPM Liens, and Release | 9019 Order to provide, among other things, that: (i) Debtors stipulate that PPM holds valid claims (as defined in 11 U.S.C. § 101(5)) against the Debtors in the aggregate principal amount of \$20,800,674, which claims are not subject to any defense, affirmative defense, offset, or counterclaim (such claims held by PPM, the “ PPM Claims ”); (ii) Debtors stipulate that the PPM Claims are secured by valid, properly perfected, nonavoidable, first-priority security interests in and mechanic’s liens on substantially all of the Debtors’ real property assets at the |

| Term | Description |
|--|---|
| | Debtors' Cedarvale site (such liens, the " Cedarvale Liens ") and at the Debtors' Cottonwood site (such liens, the " Cottonwood Liens "; together with the Cedarvale Liens, the " PPM Liens "); and (iii) upon entry of such order, the Debtors and their chapter 11 estates, and PPM, each grant a full, general release and covenant not to sue, in each case, in favor of the other Party, including with respect to challenges to the validity, priority, and extent of PPM's liens. |
| Provision of Equipment | Upon entry of a 9019 Order approving the same, PPM Claims to be deemed paid in full, PPM Liens to be released, and all of the Debtors' interest, if any, in the equipment described in <u>Annex A</u> (on a "free and clear" basis pursuant to section 363(f) of the Bankruptcy Code) to be transferred to PPM to the extent such equipment is in the Debtors' possession. With respect to the portion of such equipment which is noted on <u>Annex A</u> as having been installed or staged at the Debtors' Cottonwood site or Cedarvale site, PPM shall have the right, at PPM's sole cost and expense, to retrieve such equipment. |
| PPM Attorneys' Fees | Core and PPM will each be responsible for and pay its own legal fees and out-of-pocket expenses in connection with the PPM Claims, the PPM Liens, the Chapter 11 Cases, and PPM's performance of power market advisory services for Core, <i>provided</i> that if such legal fees and out-of-pocket expenses of PPM exceed an amount equal to 92% of the Retained DR Revenues (as defined herein) (such amount, the " Overage "), then Core shall reimburse PPM for the Overage in an amount not to exceed \$85,000. |
| Procurement Agreement(s) with Asset Purchaser(s) | Debtors to introduce PPM to any acquiror of assets at Cedarvale site and/or Cottonwood site so PPM may discuss such acquiror entering into an exclusive energy management and consulting services agreement with PPM, with customary terms reasonably acceptable to PPM [REDACTED] |
| Demand Response Agreement(s) with Debtors and Asset Purchaser(s) | Debtors and PPM to enter into an Electric Asset Management Services Agreement in the form attached as Exhibit B hereto and an Energy Management Services Agreement in the form attached as Exhibit C hereto. |

| Term | Description |
|-----------------------------------|--|
| | <p>Debtors to introduce PPM to acquiror of assets at Cedarvale site and/or Cottonwood site so PPM may discuss such acquiror entering into an exclusive energy management services agreement with PPM.</p> <p>Debtors to stipulate, and 9019 Order to provide, that PPM is entitled to retain all demand response revenues for prepetition periods (“Retained DR Revenues”).</p> |
| Closing and Other Customary Terms | Settlement Motion and 9019 Order to provide for representations, warranties, conditions, covenants, nondisparagement agreements, and other terms reasonable and customary to settlement agreements and contract assumptions in similarly complex chapter 11 cases, with such terms to be negotiated by the Parties. Closing of the transactions to take place no later than 5 calendar days following the entry of the 9019 Order. |

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Annex A

ANNEX A

| Core - Cedarvale Facility | | | | | |
|----------------------------|--|---------------|-----|---------------|--------------------------------------|
| Category | Description | Amount / Unit | QTY | Cost | Location and Status |
| Substation | VT - 150/200/250KVA; 138/34.5kV Power Transformer | \$ [REDACTED] | 2 | \$ [REDACTED] | In PPM's possession |
| Substation | Siemens Energy - 138kV Breaker | \$ [REDACTED] | 2 | \$ [REDACTED] | Delivered and installed |
| Substation | Siemens Industry - 34.5kV 2000A Distribution Breakers | \$ [REDACTED] | 10 | \$ [REDACTED] | Delivered and staged (not installed) |
| Substation | Dis-Tran - 100kVA; 19.9kV; 120/240V Station Service Transformers | \$ [REDACTED] | 9 | \$ [REDACTED] | Delivered and staged (not installed) |
| Distribution | VT - 35kV Padmount Transformers | \$ [REDACTED] | 97 | \$ [REDACTED] | In PPM's possession |
| Distribution | VT - 35kV Padmount Transformers | \$ [REDACTED] | 24 | \$ [REDACTED] | Delivered and staged (not installed) |
| TOTAL FOR SITE - CEDARVALE | | | | \$ [REDACTED] | |

| Core - Cottonwood Facility | | | | | |
|-----------------------------|---|---------------|-----|---------------|---|
| Category | Description | Amount / Unit | QTY | Cost | Location and Status |
| Substation | VT - 150/200/250KVA; 138/34.5kV Power Transformer | \$ [REDACTED] | 1 | \$ [REDACTED] | Delivered and staged (not installed or assembled) |
| Substation | Siemens Energy - 138kV Breaker | \$ [REDACTED] | 1 | \$ [REDACTED] | Delivered and installed |
| Substation | Siemens Industry - 34.5kV 2000A Distribution Breakers | \$ [REDACTED] | 5 | \$ [REDACTED] | Delivered and installed |
| Substation | Dis-Tran - 100kVA; 19.9kV; 120/240 Station Service Transformers | \$ [REDACTED] | 6 | \$ [REDACTED] | Delivered and staged (not installed) |
| Distribution | VT - 35kV Padmount Transformers | \$ [REDACTED] | 39 | \$ [REDACTED] | In PPM's possession |
| TOTAL FOR SITE - COTTONWOOD | | | | \$ [REDACTED] | |

| | | | | | |
|--|--|--|--|---------------|--|
| GRAND TOTAL - CEDARVALE AND COTTONWOOD | | | | \$ 23,186,780 | |
|--|--|--|--|---------------|--|

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Exhibit A

Energy Management and Consulting Services Agreement

(Filed Under Seal)

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Exhibit B

Electric Asset Management Services Agreement

(Filed Under Seal)

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Exhibit C

Energy Management Services Agreement

(Filed Under Seal)